



***Energy and Technology Committee***

***March 10, 2020***

***Testimony of VCP, LLC dba Verogy***

***Comments on SB 10, HB 5351, SB 290, and HB 5349***

Honorable Members of the Energy and Technology Committee:

VCP, LLC dba Verogy (“Verogy”) develops, designs, finances, constructs and operates solar projects here in Connecticut and across the country. Our business is based in Hartford, CT. The vast majority of our employees are located in Connecticut and, wherever possible, we pursue project development here. Every project we develop creates business for a catalog of Connecticut companies, from electrical and civil engineers, to attorneys, bankers, electricians, and laborers.

Additionally, each project we develop here in the state provides benefits to our project hosts through reductions in operating expenses or through additional revenue, all of which can be redirected into their own local businesses. Not to mention the impact our projects have in reducing our state’s carbon emissions through renewable energy production.

Despite the benefits that each project brings to Connecticut, we have not been able to grow our renewable programs at the velocity of the leading states in the country, including our neighbor states. We believe we lag behind because of the recent lack of supportive public policy, and the drawn-out nature of legislation implementation.

We *support* Senate Bill 10 – An Act Concerning Certain Recommendations Regarding Climate Change.

- Support the requirement for 0% greenhouse gas emissions from CT’s electricity sector by 2040.
- Support procurement of demand response and energy storage to enable the transition to 100% clean energy.

We *support* House Bill 5351 – An Act Concerning Certain Programs and to Incentivize and Implement Electric Energy Storage Resources.

- Support deployment of 1,000 MW of energy storage by 2030.
- Solicitations should include both residential and C&I customer opportunities.
- Support solicitation for demonstration storage projects collocated with 2MW-20MW Class 1 resources.



We *support with amendments* Senate Bill 290 – An Act Concerning Taxation of Certain Solar Power Facilities.

- Support removing the exemption for virtual net metering (“VNM”) projects (under section 16-244u) so that all net export Class 1 facilities, including VNM, will pay some property taxes to host municipalities.
- Amend to include a uniform capacity tax (“UCT”) of \$5,000 per MW-AC for all annual net-export Class 1 facilities that come online after 12/31/2020. A UCT benefits all stakeholders as follows:
  - Host municipalities receive property tax revenue from any net-export Class 1 project, even if VNM.
  - Relieves huge current burden on host municipalities to negotiate one-off solar tax agreements for the 1-2 projects that may be in their town.
  - Saves developers considerable expense in negotiating one-off agreements with towns, which in turn lowers their prices bid into the competitive auctions and saves CT ratepayer dollars.
- Amend to remove VNM program caps for next 2 years so additional municipalities can benefit from VNM savings while waiting for DEEP’s new DG tariffs to go into effect in 2022 or later.

We *oppose* House Bill 5349 – An Act Concerning the Ownership of Certain Solar Energy Projects by Electric Distribution Companies.

- Allowing EDCs to develop, own, and operate their own solar projects removes opportunity for non-utility developers.
- EDC’s guaranteed rate of return and inability to immediately monetize federal tax benefits creates an unnecessary increased cost to ratepayers.

Verogy thanks the Committee for its consideration of our comments. We hope to continue to grow and develop in Connecticut for years to come.

Thank you.

A handwritten signature in blue ink, appearing to read "W. Herchel".

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